VZCZCXRO1471 PP RUEHAG RUEHHM RUEHPB RUEHROV DE RUEHKO #5407/01 3362338 ZNY CCCCC ZZH P 022338Z DEC 07 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 9926 INFO RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 0381 RUEHBR/AMEMBASSY BRASILIA 0391 RUEHBY/AMEMBASSY CANBERRA 2455 RUEHJA/AMEMBASSY JAKARTA 4312 RUEHMO/AMEMBASSY MOSCOW 1980 RUEHNE/AMEMBASSY NEW DELHI 8413 RUEHUL/AMEMBASSY SEOUL 6432 RUEHFK/AMCONSUL FUKUOKA 4684 RUEHNH/AMCONSUL NAHA 7087 RUEHOK/AMCONSUL OSAKA KOBE 8350 RUEHKSO/AMCONSUL SAPPORO 5346 RUEHDN/AMCONSUL SYDNEY 0534

C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 005407

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STATE FOR IO, G, EAP/J, EEB/ESC, AND OES/EGC (HARLAN WATSON, BARBARA DEROSA-JOYNT, DREW NELSON) WHITE HOUSE FOR CEQ DOE FOR S-3

E.O. 12958: DECL: 11/29/2017 TAGS: <u>SENV</u> <u>ENRG</u> <u>KGHG</u> <u>PREL</u> <u>JA</u>

SUBJECT: BALI AND BEYOND -- JAPAN CONSIDERING SECTORAL TARGETS, WANTS U.S. INPUT ON DISCUSSION PROCESS

REF: A. SECSTATE 159374 ¶B. TOKYO

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Classified By: Ambassador J. Thomas Schieffer for reasons 1.4 b, d.

11. (C) SUMMARY: Japan is going into the UN Framework Convention on Climate Change meeting in Bali (UNFCCC/COP 13) with different ministries participating, but expressing differing views. Questions of Chinese and Indian participation in any further targets for cutting greenhouse gases (GHG) weigh heavily in the ministries' thinking, with the GOJ looking at investigating a system of sectoral targets as a way to get these countries with their growing and increasingly competitive industries to act to meet the climate change challenge. Officials appreciate the Major Economies initiative, but get bogged down in questions over how it will feed into the UN process. Moreover, they worry about how it will fit with the G-8 events the GOJ is planning for 2008. At the same time, Japan continues to advocate the "Cool Earth 50" approach first announced by then PM Abe, but reaffirmed by Prime Minister Fukuda. The GOJ wants to work closely with the U.S. on climate change and asks for more information on specific points. METI urged the USG to support its proposal for an ad-hoc working group (AWG) in the UNFCCC, saying Japan and the U.S. need much better coordination on feeding Major Economies and G-8 outputs into the UNFCCC. At the same time, GOJ officials feel EU pressure, see EU initiatives as contrary to Japanese and USG thinking, and wonder if European policies will carry the day. END SUMMARY.

JAPANESE GOALS FOR BALI AND BEYOND

12. (C) Ministry of Environment Director General for Global Environment Hideki Minamikawa told EMIN and ESToffs Nov. 28

that the GOJ has three main issues for the Bali UNFCCC COP First, Japan wants agreement that the "Bali roadmap" decided at COP 13 will lead to a future framework that can be agreed upon by COP 15 in 2009. Second, Japan wants to propose a new ad-hoc working group including all UNFCCC parties to discuss the framework's particulars. Third, Japan will suggest sectoral "targets" for developed countries so as to accommodate China and India's need for "common but differentiated responsibilities." Minamikawa noted Japan is looking at the amounts of energy used and greenhouse gases produced in certain specific sectors, e.g., cement, transportation, or the chemical industry, with the idea of countries using this information to then identify ways forward in those areas to reduce GHG intensity. The GOJ, he continued, believes this approach can be attractive to China, India, Brazil, and other emerging market economies which have industries that may compete globally, but at the same time have large underdeveloped areas or parts of their populations who live in absolute poverty. An MOE staffer present at the meeting later told ESToff the GOJ will hold a side-event on this sectoral approach at Bali during the UN conference.

¶3. (C) At the same meeting, MOE Global Environment Councilor Ryutaro Yatsu asked about the timing of a second Major Economies Meeting (MEM) that the U.S. had suggested Japan hold prior to the July 2008 G-8 Summit. Japan "highly respects" the U.S. desire to work on a long-term goal through the Major Economies process, Yatsu said, but the GOJ also wants to promote the 50%-by-2050 global greenhouse gas reduction goal in its "Cool Earth 50" climate proposal. He noted the EU is proposing an 80%-by-2050 target for developed countries and asked about USG thinking on differentiated goals for developed and developing countries. In deciding whether to hold a second MEM "before or after"

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the G-8 Summit, it is "crucial" to know what type of goal the U.S. wants to work on at the MEM, Yatsu said.

Minamikawa suggested a second MEM could "duplicate" the many ministerials and other G-8 meetings that will deal with climate. EMIN drew on the points in ref A and previous White House statements to discuss how we see the Major Economies initiative playing into the global process.

(Note: A November 21 press report indicates the GOJ is looking to host a climate summit "similar in scale" to the MEM during next year, s G-8. End note.)

MOFA: GOJ THINKING ON NUMERICAL TARGETS IN FLUX

- ¶4. (C) ESToffs followed up with MOFA Climate Change Office Director Naoto Hisajima. (Please also see ref B on the meeting with Amb. Komachi, the administrative head of Japan's Bali delegation.) Hisajima insisted there is "no decision at all" to host a Major Economies-like meeting before the G-8 Summit. There is "no concrete proposal or anything to that effect," he said, since MOFA's G-8 division has not even decided what the G-8 outreach countries should be for 2008. The GOJ, Hisajima noted, thinks the Major Economies and G-8 processes "can both contribute in a very constructive way, particularly if we are able in Bali to launch a new (roadmap)."
- 15. (C) As for Bali, Hisajima said there is widespread agreement on developing a Bali roadmap as "hardly anyone opposes the launch of something new." He continued that it needs to accommodate a wide range of issues including a long-term global goal and also technology research, development, and application to avoid being a copy of the Kyoto Protocol. Japan wants to break the monolithic unity of the G77 and China, who must take some action toward climate change mitigation. Hisajima pointed out Cool Earth 50 does not go into differentiated commitments between developed and developing countries, given questions whether China and India will still be developing countries in 2050.

16. (C) On national numerical targets versus a general global goal, Hisajima said "that is a central core issue" and that there had been heated discussion on the point at the first Major Economies meeting. "Our policy on that point is open;" Japan has not decided whether developed countries' commitments in the next framework should be in the form of numerical targets. The framework should utilize the sectoral approach in some way since "that is the best basis for equitable commitments."

METI: PLEASE TELL US YOUR VIEWS NOW

- 17. (C) EMIN followed up further November 30 with METI Global Environment DG Hajime Ito, who explained Japan's AWG proposal. For "productive discussions" on a framework, Ito said, the number of countries negotiating its particulars needs to be limited, as in the Major Economies process. "But having said that," he went on, the COP "is the only possible basis for negotiations," and so "maybe we should work together to create some limited-numbers meeting in the COP." Hence, Japan's proposal for an AWG meeting at UNFCCC COPs. A METI staffer explained the AWG could be the means through which the results of the Major Economies meetings feed into the UNFCCC. METI was open in pushing the AWG as its proposal with Ito at one point referring to it as "my basic idea."
- 18. (C) Ito also stated the U.S. has not been sufficiently direct about its views on how to work with Japan on feeding Major Economies and G-8 outputs into the UNFCCC. He said

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- the U.S. delegation had said at the preparatory meeting in Bogor, "we are open" about the Japanese proposal, however, there needs to be a decision on this point by the end of COP 13. Ito said we need to be directly exchanging views on it now, before the COP. "I think our (GOJ) positions towards COP 13 are very clear," he said, but U.S. positions are not. "You are our closest ally" on climate, and it is "high time" to "kick off" discussions on how we'll bring the Major Economies substance into the UNFCCC, Ito continued. EMIN reiterated the points in ref A, which seemed to satisfy some of the METI concerns. He also pointed toupcoming discussions during and on the margins of the U.S./Japan subcabinet.
- 19. (C) A METI staffer pointed out high-level UK climate contacts are talking to METI about the details of their post-Kyoto vision. "They explicitly expressed the idea" to METI in the past week that "all developed countries must accept specific reductions," he said. On the other hand, METI also has a sense of a growing consensus among some developing countries that China and India too have to participate in reductions schemes, a factor suggesting an opportunity to gain support for our approach. However, Ito reiterated the need for further and more detailed discussions with the USG now and closed by stressing that "we are always ready to support" the Major Economies meetings and to coordinate them with the G-8. He said the Japan Business Federation (Keidanren) is helping plan a G-8 business summit in mid-April and thought this event too could help build momentum for U.S. and Japan approaches to climate in these meetings through 2008.

COMMENT

110. (C) Not surprisingly, there may be daylight between MOFA (which represents Japan,s official position) and MOE (generally more pro-Kyoto) on the use of numerical GHG reduction targets. Hisajima refuted what Minamikawa had seemed to suggest about Japan's wish to push targets in Bali, and indeed MOE views have often been pushed aside by industry priorities in public GOJ climate statements over

the past year. But when the G-8 ministerials begin, Japan will need to make some final decisions. Japanese policy makers are noting the recent Australian elections and EU pressure. METI is overtly soliciting U.S. input into GOJ decision-making and telling us that they need it sooner rather than later if we are to have the best cooperation possible in directing Major Economies outputs into the UNFCCC. SCHIEFFER